

## Message Text

CONFIDENTIAL

PAGE 01 LA PAZ 02043 01 OF 02 111549Z  
ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 AID-05  
EB-08 SIL-01 LAB-04 /081 W  
-----075893 111607Z /53

P R 111500Z MAR 78  
FM AMEMBASSY LA PAZ  
TO SECSTATE WASHDC PRIORITY 9835  
INFO AMEMBASSY LIMA  
AMEMBASSY QUITO  
AMEMBASSY SANTIAGO  
DIA WASHDC  
USCINCSO J2 QUARRY HEIGHTS CZ

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 2043

EO 11652: GDS  
TAGS: PINT, BL  
SUBJ: PEREDA CONTINUES TO GATHER MOMENTUM; OPPOSITION REMAINS  
DISORGANIZED

REF: (A) LA PAZ 1644, (B) LA PAZ 1889

1. SUMMARY: WITH HIS PROCLAMATION AT PRO-GOVERNMENT MNR WING CONVENTIONS LAST WEEK, THE PRESIDENTIAL CANDIDACY OF GENERAL JUAN PEREDA CONTINUED TO MARCH FORWARD. ALTHOUGH PEREDA AND FALANGE LEADERS WERE NOT ABLE TO AGREE ON A FORMULA THAT WOULD PERMIT THE FSB TO JOIN HIS COALITION, WE UNDERSTAND THAT NEGOTIATIONS MAY RESUME SHORTLY. PEREDA BACKERS HOPE TO BRING THE ENTIRE FSB INTO THEIR CAMP, BUT, FAILING THAT, THEY MAY TRY TO SPLIT THE PARTY AND INCORPORATE ONLY ITS MORE MODERATE MEMBERS. APART FROM FSB LEADER MARIO GUTIERREZ, PEREDA'S ONLY DECLARED OPPONENT FOR THE PRESIDENCY IS FORMER DEFENSE MINISTER RENE BERNAL ESCALANTE. WHILE SO FAR BERNAL ONLY HAS THE BACKING OF THE CHRISTIAN DEMOCRATS, HIS MILITARY BACKGROUND AND CAMPESINO ORIGIN COULD MAKE HIM A VIABLE ADVERSARY. FORMER  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LA PAZ 02043 01 OF 02 111549Z

PRESIDENT HERNAN SILES ZUAZO HAS MAINTAINED A LOW PROFILE SINCE HIS RETURN TO BOLIVIA MARCH 4, BUT REMAINS THE STRONGEST OPPOSITION HOPE. WITH THE OPPOSITION STILL DISORGANIZED, PEREDA'S--AND PRESIDENT BANZER'S--GREATEST CAUSE FOR CONCERN IS THE CONTINUED EXISTENCE OF ANTI-ELECTION FORCES, BOTH IN THE MILITARY AND ON THE LEFT AND RIGHT EXTREMES OF THE CIVILIAN SECTOR. IT IS POSSIBLE THAT IN THE COMING WEEKS THE EXTREME LEFT WILL

MOUNT LABOR STRIKES, WHICH, IN TURN, COULD BE EXPLOITED BY THE FSB (A PARTY WITH AN HISTORICAL PENCHANT FOR ORGANIZING COUPS), IF IT REMAINS DISAFFECTED FROM PEREDA. WHILE THE ODDS CONTINUE TO FAVOR A RELATIVELY ORDERLY ELECTORAL PROCESS, BOTH BANZER AND PEREDA ARE KNOWN TO BE CONCERNED ABOUT THESE DISSIDENT ELEMENTS, AND THE SUCCESS OF "DEMOCRATIZATION" IS NOT ASSURED. END SUMMARY.

2. THE PEREDA CANDIDACY. IN RECENT DAYS, PRESIDENT BANZER'S PROTEGE GENERAL JUAN PEREDA HAS DISPLAYED INCREASING POLITICAL ACUMEN, AND HIS CAMPAIGN FOR THE PRESIDENCY HAS CONTINUED TO MOVE FORWARD. PEREDA'S MOST SIGNIFICANT GAINS OCCURRED DURING THE FIRST WEEK OF MARCH AT THE PRO-GOVERNMENT MNR WING'S LABOR AND NATIONAL CONVENTIONS, WHERE HIS CANDIDACY WAS RATIFIED BY THE PARTY MILITANCY. PEREDA TOOK CARE TO LOOK AND SOUND LIKE A POLITICIAN--MAKING THE MNR'S "V" SIGN WITH HIS FINGERS, ENTONING THE PARTY'S ANTHEM "SIEMPRE," AND DELIVERING HIS STRONGEST SPEECHES TO DATE. HIS PERFORMANCE WAS ENTHUSIASTICALLY APPLAUDED BY THE CAREFULLY ORGANIZED CONVENTION CROWDS. WITH THE OFFICIALIST MNR'S PARTICIPATION IN HIS NEWLY-FORMED NATIONALIST PEOPLE'S UNION THUS RATIFIED, PEREDA CONTINUED TO KEEP HIS VISIBILITY HIGH, CONCENTRATING HIS EFFORTS CHIEFLY ON THE POLITICALLY VOLATILE ALTIPLANO. IN POTOSI, ON MARCH 5, A PEREDA RALLY WAS TEMPORARILY DISRUPTED BY A SMALL GROUP OF HECKLERS. WHEN THESE WERE CONTAINED, HOWEVER, PEREDA ORDERED THE, COMMENTING  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LA PAZ 02043 01 OF 02 111549Z

THAT ALL HAVE A RIGHT TO PARTICPATE IN A DEMOCRATIC PROCESS, BUT THAT DEBATE SHOULD BE CONDUCTED ON AN IDEOLOGICAL PLANE, RATHER THAN THAT OF THOSE WHO "THROW STONES AND HIDE AWAY." WITH ONLY MODERATE COVERAGE FROM A PARTIALLY DISAFFECTED PRESS, PEREDA HAS MANAGED TO KEEP HIMSELF BEFORE THE PUBLIC EYE, IN ADDITION TO HIS PUBLIC APPEARANCES, LARGELY THROUGH FULL-PAGE NEWSPAPER ADVERTISEMENTS. CLAIMING THAT HE HAS RECEIVED NO CAMPAIGN FUNDS FROM THE GOVERNMENT, PEREDA ALSO LAUNCHED AN EFFORT TO GENERATE SUPPORT BY SELLING FIVE PESO (ABOUT 25 CENTS) "BONDS" TO THE PUBLIC. WHILE IT IS DIFFICULT TO GAUGE TO WHAT DEGREE THE PEREDA CANDIDACY HAS CAPTURED THE PUBLIC'S IMAGINATION, THE PROSPECTS FOR HIS CAMPAIGN CONTINUING TO PICK UP MOMENTUM APPEAR GOOD.

3. THE OPPOSITION. A MEETING BETWEEN PEREDA AND FSB LEADERS ON MARCH 3 TO ATTEMPT TO REACH AGREEMENT ON A FORMULA THAT WOULD PERMIT THE FSB TO JOIN PEREDA'S COALITION WAS NOT SUCCESSFUL. WHILE FALANGISTAS MAINTAIN PUBLICLY THAT THEIR DIFFERENCES WITH PEREDA ARE ROOTED IN PRINCIPLE, IT IS CLEAR THAT THE NEGOTIATIONS BROKE DOWN BECAUSE PEREDA WAS UNWILLING TO GRANT THE FSB A DOMINANT INTEREST IN HIS PROJECTED GOVERNMENT. FSB CHIEF MARIO GUTIERREZ, IN A RATHER EMOTIONAL

EXPOSITION, TOLD EMBASSY OFFICERS RECENTLY THAT THE FSB INSTALLED BANZER IN POWER IN 1971 AND THEREFORE IS ENTITLED TO INHERIT HIS GOVERNMENT. DESPITE THE APPARENT INFLEXIBLE STANCE OF THE FSB LEADERSHIP, HOWEVER, WE UNDERSTAND THAT PEREDA (UNDOUBTEDLY NUDGED BY BANZER, WHO WAS SAID TO BE DEEPLY TROUBLED BY THE BREAKDOWN IN NEGOTIATIONS) WILL TRY TO RESUME THE TALKS SHORTLY. HIS AIM IS TO BRING THE ENTIRE FSB INTO HIS COALITION, BUT, FAILING THAT, WE ARE TOLD, HE WILL TRY TO SPLIT THE PARTY AND INCORPORATE ONLY ITS MORE MODERATE AND TRACTABLE MEMBERS. MEANWHILE, AGAINST THIS BACKGROUND OF UNCERTAINTY, THE FSB HAS BEGUN TO PROMOTE THE PRESIDENTIAL CANDIDACY OF MARIO GUTIERREZ.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LA PAZ 02043 02 OF 02 111546Z

ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03

NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 AID-05

EB-08 SIL-01 LAB-04 /081 W

-----075837 111607Z /53

P R 111500Z MAR 78

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 9836

INFO AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

DIA WASHDC

USCINCSO J2 QUARRY HEIGHTS CZ

C O N F I D E N T I A L SECTION 2 OF 2 LA PAZ 2043

4. APART FROM GUTIERREZ, PEREDA'S ONLY DECLARED OPPONENT FOR THE PRESIDENCY IS FORMER DEFENSE MINISTER RENE BERNAL ESCALANTE, WHO CONFIRMED HE WOULD BE A CANDIDATE IN A NEWSPAPER INTERVIEW ON MARCH 6. BERNAL, WHOSE NAME HAD BEEN FLOATED EARLIER BY THE CHRISTIAN DEMOCRATS (PDC), SAID HIS CANDIDACY WOULD BE LAUNCHED OFFICIALLY ON MARCH 26 AT RALLIES IN THE CAMPESINO TOWNS OF CARACOLLO (ORURO) AND UCURENA (COCHABAMBA) AND WOULD BE BACKED BY A COALITION CONSISTING OF THE PDC, PRA, MNRI, MAN, PS, ELEMENTS OF THE BARRIENTISTAS, AND THE FSB. PROMPTLY AFTERWARD, VIRTUALLY ALL THESE GROUPS-- WITH THE EXCEPTION OF THE PDC--DENIED THEY WERE DISPOSED TO SUPPORT BERNAL. DESPITE THESE DENIALS, HOWEVER, THE BERNAL DECLARATION HAS STIRRED INTEREST IN POLITICAL CIRCLES, CHIEFLY BECAUSE OF HIS MILITARY BACKGROUND AND CAMPESINO ORIGIN.

AT THIS POINT IT IS DEBATABLE HOW A STRONG BERNAL EFFORT WOULD AFFECT THE PEREDA CADIDACY. CERTAINLY IT WOULD ATTRACT VOTES FROM PEREDA (PARTICULARLY IN ORURO AND RURAL AREAS) AND FURTHER DIVIDE THE MILITARY, WHERE SUPPORT FOR PEREDA REMAINS LUKEWARM. ON THE OTHER HAND, BERNAL IS REGARDED BY MANY TO BE OF ONLY MEDIOCRE INTELLIGENCE, AND HIS ABILITIES AS A CAMPAIGNER

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LA PAZ 02043 02 OF 02 111546Z

ARE STILL NOT KNOWN. BERNAL'S PROFESSIONAL AND ETHNIC CREDENTIALS NOTWITHSTANDING, AT THIS POINT THE MOST POTENT OPPOSITION HOPE (ASSUMING VICTOR PAZ WILL NOT RUN) WOULD STILL APPEAR TO BE THE FORMER PRESIDENT HERNAN SILES ZUAZO. WHILE HE HAS MAINTAINED A LOW PROFILE SINCE HIS RETURN TO BOLIVIA ON MARCH 4, SILES IS REPORTED TO BE MAKING EXTENSIVE CONTACTS WITH POLITICIANS IN LA PAZ, AND IT WOULD NOT BE SURPRISING IF HE DECIDED TO THROW HIS HAT IN THE RING SOON.

5. LABOR RETURNS. BOTH THE PRO-GOVERNMENT AND PAZ WINGS OF THE MNR HAVE CLAIMED VISTORIES IN THE MAJORITY OF UNION ELECTIONS HELD TO DATE, AND FSB LEADERS HAVE TOLD EMBASSY OFFICERS THAT THEIR MILITANTS ARE PREVAILING IN THE SCHOOL TEACHER'S UNIONS. DESPITE THESE CLAIMS, HOWEVER, EMBASSY INVESTIGATIONS (WHICH HAVE EXTENDED TO THE MINING, TEACHER AND TRANSPORT SECTORS) REVEAL THAT POLITICAL PARTY AFFILIATIONS MAY BE PLAYING ONLY AN INCIDENTAL ROLE IN ALL BUT THE LARGEST UNION ELECTIONS. IF THIS IS INDEED THE CASE, SINCE THE SMALLER UNIONS TAKEN TOGETHER CONTAIN A MAJORITY OF BOLIVIA'S ORGANIZED WORKERS, THE ABILITY OF POLITICAL PARTIES TO DELIVER THE LABOR VOTE TO THEIR CANDIDATES IN JULY BECOMES LESS CERTAIN.

6. COMMENT: EVEN THOUGH PEREDA IS FAR IN FRONT OF HIS FRAGMENTED AND DISORGANIZED OPPOSITION, THE PATH TO HIS ELECTION IN JULY REMAINS PERILOUS. SIGNIFICANT ELEMENTS OF THE MILITARY, ESPECIALLY IN THE MIDDLE AND JUNIOR OFFICER GRADES, ARE STILL UNENTHUSIASTIC ABOUT PEREDA THE MAN AND PROSPECTIVE PRESIDENT. MILITARY OPPONENTS SUCH AS BERNAL AND THE TOPATER GROUP WILL CONTIUE TO FOSTER THESE DIVISIONS. MORE WORRISOME FOR PEREDA AND FOR PRESIDENT BANZER IS THE CONTIUNUING EXISTENCE OF ANTI-ELECTION FORCES

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LA PAZ 02043 02 OF 02 111546Z

ON BOTH THE RIGHT AND THE LEFT, AS WELL AS WITHIN THE MILITARY. EXTREME LEFTISTS IN THE LABOR SECTOR, LED BY JUAN LECHIN OQUENDO, APPEAR TO BE PREPARING TO MOUNT STRIKES,

ESPECIALLY IN THE MINING SECTOR. ANOTHER POTENTIAL ANTI-ELECTION FACTOR IS THE FSB PARTY ITSELF. DISSAFFECTED FROM PEREDA, RESENTFUL AT BANZER FOR NOT FORCING PEREDA TO ACCEPT THEM IN HIS COALITION, FSB LEADER MARIO GUTIERREZ RECENTLY BOASTED TO EMBASSY OFFICERS THAT HE HAS ORGANIZED "COUPS" BEFORE AND COULD DO SO AGAIN. PEREDA STAFFERS AND INTERIOR MINISTRY OFFICIALS HAVE ALSO TOLD US THEY FEAR THAT A DISSAFFECTED FSB WILL TRY TO PLAY A SPOILER ROLE AND PLOT AGAINST BANZER AND PEREDA. ALL THESE DISSIDENT FORCES COULD COME TOGETHER, PROBABLY IN THE CONTEXT OF A CRISIS, TO OBSTRUCT ELECTIONS. THE ODDS, IN OUR VIEW, STILL FAVOR A RELATIVELY ORDERLY ELECTION PROCESS, BUT IT IS NOT A SURE THING.  
BOEKER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENTIAL ELECTIONS, ELECTION CANDIDATES, POLITICAL PARTIES, ELECTION FORECASTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LAPAZ02043  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780109-1051  
**Format:** TEL  
**From:** LA PAZ  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780379/aaaacora.tel  
**Line Count:** 238  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** f4c718c9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY  
**Reference:** 78 LA PAZ 1644, 78 LA PAZ 1889  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 06 jul 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3361354  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PEREDA CONTINUES TO GATHER MOMENTUM; OPPOSITION REMAINS DISORGANIZED  
**TAGS:** PINT, BL, (PEREDA, JUAN)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/f4c718c9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014